



CCXAP affirms Fantasia Holdings Group Co., Limited's long-term credit rating at BB_g-, with stable outlook

Hong Kong, 6 August 2020 -- China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP") has affirmed the long-term credit rating of Fantasia Holdings Group Co., Limited ("Fantasia" or the "Company") at BB_g-. The rating outlook is stable.

Rating Rationale

The BB_g- rating of Fantasia Holdings Group Co., Limited ("Fantasia" or the "Company") is underpinned by the Company's (1) robust growth in contracted sales and growing scale; (2) diversified income from property operation; and (3) adequate liquidity position. However, the rating is also constrained by the Company's (1) high geographic concentration; and (2) de-stocking pressure of existing projects.

Rating Outlook

The stable outlook on Fantasia's rating reflects that the Company could maintain contracted sales growth supported by core markets. We also expect that the Company's credit metrics will remain stable in the next 12-18 months.

What could upgrade the rating?

The rating could be upgraded if the Company (1) achieves substantial growth in contracted sales with a more balanced geographic distribution; (2) records a decrease in debt leverage to 50% or below on a sustained basis; and (3) realizes notable improvement in cash flow balance.

What could downgrade the rating?

The rating could be downgraded if the Company's (1) contracted sales slumps; (2) debt leverage increases to 150% or above resulting from aggressive land replenishment policy; or (3) ability of cash flow balance weakens significantly.

Rating Methodology

The methodology used in this rating is the Rating Methodology for [Real Estate Development Industry \(December 2019\)](#).

Contacts of Credit Ratings

The first name below is the lead rating analyst for this rating and the last name below is the person primarily responsible for approving this rating.

Na Yu
Credit Analyst
na_yu@ccxap.com

Guo Zhang
Director of Credit Ratings
guo_zhang@ccxap.com

Tel: +852-2860 7111

Copyright ©2020.China Chengxin (Asia Pacific) Credit Ratings Company Limited. All rights reserved.

Disclaimer

Credit ratings assigned by China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) are based on CCXAP’s rating principles of independence, fairness and objectivity. A credit rating reveals and ranks specific risks, but it does not cover all risks embedded in the rated entity or the rated debt issue.

Credit ratings are not recommendations for investors to buy, sell or hold debt securities, nor measurements of market value of the rated entities or the rated debt issues. While CCXAP has obtained information from sources it believes to be reliable, CCXAP does not perform an audit and undertakes no duty of due diligence or independent verification of information it receives from the rated entity.

CCXAP’s public ratings are available at www.ccxap.com (Rating Results) and may be distributed through media and other means.

The solicited rating has been disclosed to the rated entity or its related party prior to publication.

CCXAP has distributed and disclosed this solicited credit rating report to the rated entity prior to the publication date. All information published in this document belongs to CCXAP and is subject to change without prior notice by CCXAP. CCXAP considers the information contained in this document reliable. However, all information is provided on an "as is" and "as available" basis and CCXAP does not guarantee the accuracy, adequacy, completeness or timeliness of any information included in this document. None of the information may be used, including without limitation reproducing, amending, sending, distributing, transferring, lending, translating, or adapting the information, for subsequent use without CCXAP’s prior written permission.

CCXAP is not liable for any in whole or part caused by, resulting from or relating to any error (neglect or otherwise) or other circumstance or contingency within or outside the control of CCXAP’s or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, interpretation, analysis, editing, transcription, publication, communication or delivery of any such information, or any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation lost profits), even if CCXAP, or representatives thereof, are advised of the possibility of such damage, losses or expenses.

China Chengxin (Asia Pacific) Credit Ratings Company Limited

Address: Suites 805-808, Jardine House, 1 Connaught Place, Hong Kong

Website: www.ccxap.com

Email: info@ccxap.com

Tel: +852-2860 7111

Fax: +852-2868 0656